

HOUSE BILL 3774

By Fitzhugh

AN ACT to amend Tennessee Code Annotated, Title 2, Chapter 10, Part 1; Title 3, Chapter 6; Title 8, Chapter 50, Part 5; Title 12, Chapter 4, Part 1 and Title 12, Chapter 3, Part 1, relative to governmental ethics.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 2, Chapter 10, Part 1, is amended by adding the following language as a new section:

2-10-131.

(a) For purposes of this section:

(1) "Immediate family" means a spouse, child, step-child, brother, sister, son-in-law, daughter-in-law, parent, or grandparent;

(2) "Official in the executive branch" means the governor, secretary of state, comptroller of the treasury, treasurer, any member of the governor's cabinet, or any cabinet level staff;

(3) "Official in the legislative branch" means a member of the general assembly; and

(4) "Privatization enterprise" means a for profit business concern that contracts with this state to provide services historically performed by public employees.

(b) It is an offense for an official in the executive branch or official in the legislative branch, or immediate family of such an official, to knowingly:

(1) Hold any ownership interest or other financial interest, other than the common public interest, of any kind in a privatization enterprise; provided, however, that ownership of securities or other evidence of ownership or financial

interest through a mutual fund, or other similar investment vehicle managed by a third party that pools funds tendered by a number of persons or entities for the purpose of investment by the third party in diversified securities, bonds or other assets, shall not constitute having an ownership or financial interest; or

(2) Be employed by, or accept employment with, a privatization enterprise during the tenure of the official's office, or for the twelve (12) months immediately following the end of such tenure.

(c)

(1)

(A) If conduct giving rise to a violation of this section would also constitute the offense of bribery prohibited by § 39-16-102, then such violation is a Class C felony. Any person convicted of such offense shall forever afterwards be disqualified from holding any office under the laws or constitution of this state.

(B) Nothing contained within this section shall be construed to prohibit prosecution and conviction for the Class C felony offense of bribery of a public servant, set forth in § 39-16-102; nor shall it be construed to prohibit prosecution and conviction for any other applicable criminal offense.

(2) Any other violation of this section is a Class A misdemeanor. Any person convicted of such offense shall forever afterwards be disqualified from holding any office under the laws or constitution of this state.

SECTION 2. This act shall take effect July 1, 2012, the public welfare requiring it.